

# ***San José Clean Energy***

## ***A Community Choice Aggregation (CCA) Program***

**San José Council Study Session:  
October 28, 2016**



*Environmental Services*

*Delivering world class utility services and programs  
to improve our health, environment and economy*

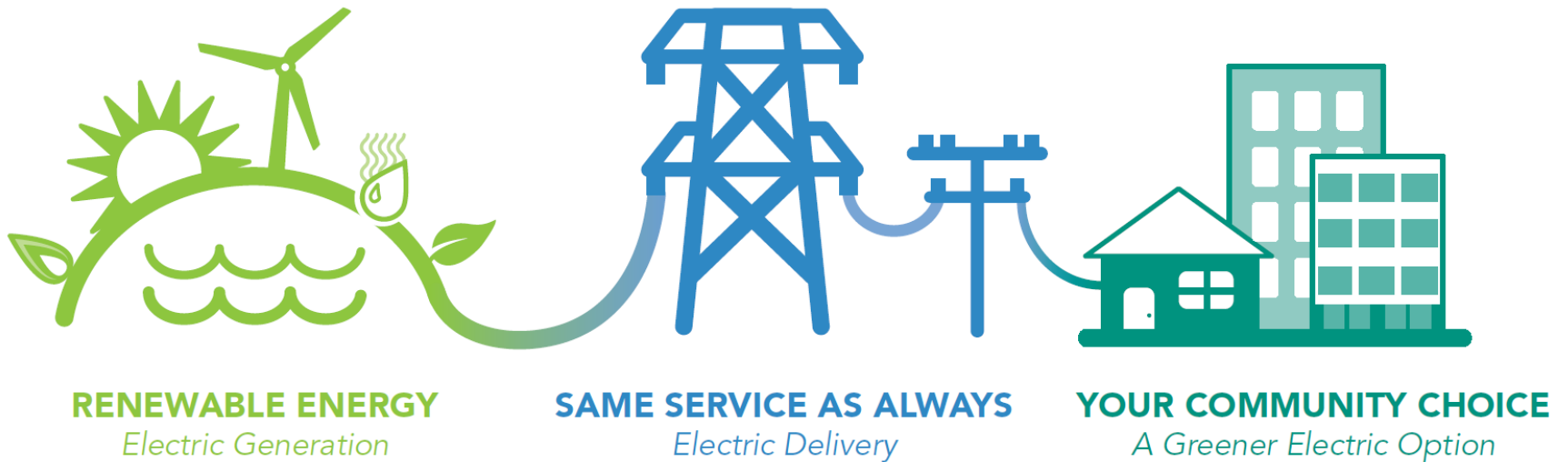
# Study Session Objectives

- CCA Operational Models
- CCA Benefits & Risks
- Operational CCAs & Energy Procurement Panel
- Next Steps and SJCE Timeline
- Council Feedback

# Questions for Council Feedback

- What are the most important CCA benefits?
- What are the most important issues that need to be addressed to consider moving forward with a CCA?
- Are the proposed processes and decision timeline appropriately paced?

# What is Community Choice Aggregation?



# Why CCA for San José?

To meet local, state, and international greenhouse gas (GHG) reduction goals:

- Envision San José 2040 General Plan
- San José Green Vision (Goals 1, 2, 3)
- California Global Warming Solutions Act (AB 32, SB 32)
- Paris Climate Change Agreement









# Benefits

- Choice of Energy Providers
- GHG Emissions
- Renewable Energy
- Local Jobs
- Local Control



# San José Clean Energy Impact

50% Renewable Electricity	100% Renewable Electricity
<p>-97,000</p> 	<p>-363,000</p> 
<p>-68,000</p>  <p>Annually</p>	<p>-254,000</p>  <p>Annually</p>

# San José Clean Energy Timeline

Phase 1

Phase 2

Phase 3

Launch

Fall/Winter 2016

**Pre-Planning and Due Diligence**

- Outreach
- Council Study Session
- Business Plan

**DECISION: Early 2017**

- Whether to Proceed
- Operational Model

Spring/Summer 2017

Formation and Development

- Outreach
- Contracting
- Regulatory Submittals

**DECISION: Spring-Summer 2017**

- Budget/ Financing
- Regulatory Submittals

Fall/Winter 2017

Preparation for Launch

- Outreach
- Contracting
- Customer Notifications

**DECISION: Fall-Winter 2017**

- Contract Awards
- Rate-setting



# Business Plan Deliverables

- Evaluation of CCA Models & Potential Programs
- Electric Load Forecasts
- PG&E & CCA Rate Comparisons
- Power Supply Scenarios
- Potential Economic Benefits in San José
- Key Potential Risks & Mitigation Strategies

# Operational Model: Single Jurisdiction

- City Establishes & Operates CCA
- Makes Decisions on:
  - Policies
  - Programs
  - Rates



# Operational Model: Joint Powers Authority

- JPA Establishes & Operates CCA
- Shared Decision Making



# Operational Model: Third-Party Turnkey

- Third-party Operates CCA on Behalf of City
- Council Retains Partial Decision-Making
- Currently no Operational Third-Party Turnkey CCAs



# Operational CCAs in California

CCA Entity	Launch Date	Type of Governance	Renewable (%) Options	No. Customers	Start-up Costs
Marin Clean Energy	2010 (May)	JPA	52 (base) 100 100 (local solar)	171,000	\$3.3M
Sonoma Clean Power	2014 (May)	JPA	36 (base) 100	200,000	\$11.8M
Lancaster Choice Energy	2015 (May)	Single Jurisdiction	35 (base) 100	51,000	\$3M
<u>CleanPowerSF</u>	2016 (May)	Single Jurisdiction	35 (base) 100	8,000	\$8M
Peninsula Clean Energy	2016 (October)	JPA	50 (base) 100	78,000	\$13.5M

# Power Procurement

- Scheduled through California Independent System Operator (CAISO)
- Reputable Scheduling Coordinator
- Robust Renewable Supply
- Risk Management Strategies





# SJCE: Local Program Buys & Generates Renewable Electricity for our Community

- Choice of Energy Providers
- GHG Emissions
- Renewable Energy
- Local Jobs
- Local Control



# City of San José Utilities

Utility	Serves	Operational Model
Regional Wastewater Facility	1.4M customers 17K businesses	City operated (JPA)
Municipal Water System	100,000 customers	City operated (Single Jurisdiction)
Recycled Water	750 customers	City operated (JPA)
Garbage & Recycling	300,000 homes	City managed, third-party services (Hybrid of Single Jurisdiction and Third Party)

# Community Outreach

- Hosted:
  - 1 Meeting at City Hall
  - 4 Meetings at Libraries
- Presented at 2 Council District Leadership Forums
- Reached approx. 150 people
- Materials in English, Spanish, Vietnamese



# Top 5 Frequently Asked Questions

- What impact would SJCE have on current solar customers?
- What will San José's CCA operational model be?
- What programs will be offered under SJCE?
- What will SJCE's rates be?
- What happens to PG&E if SJCE is established?

# Panel Discussion



**Dawn Weisz**  
Marin Clean Energy



**Cordel Stillman**  
Sonoma Clean  
Power



**Barbara Boswell**  
(formerly)  
Lancaster Choice  
Energy



**John Roukema**  
Silicon Valley Power  
(City of Santa Clara)



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